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Economic Imperialism : Fact or Fiction?

1) Introduction :-

2) What is Economic Imperialism :-

3) How economic Imperialism is a fact :- (Thesis)

3.1) International Organisations control the economics of Less Developed countries through various plans.

(e.g IMF, World Bank)

3.2) Most of the LDCs are dependent heavily on imports.

(e.g Pakistan's trade deficit increased by 20%)

3.3) Weaker economies are reliant ^{on} aid programs of powerful economies

e.g (USAID programs)

3.4) Multinational Cooperations (MNCs) exploit the resources of LDCs.

e.g (Sweat Shops of Zara, H&M etc)

3.5) Sanctions and Tariffs are a way to control economy of a country.

(Sanctions ~~of~~ on Iran, North Korea etc)

4) How economic Imperialism is a fiction :- (Anti-thesis)

4.1) International Monetary Organisation provide plans to uplift the economic growth.

(Success story of South Korea)

4.2) Less Developed countries depend upon imports due to the absence of production bases.

(e.g Pakistan)

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4.3) Aid programs help in the development of countries.
(e.g. Europe reconstruction plan after cold war)

4.4) MNCs (Multinational Cooperations) contribute to the economic growth of countries.
(e.g. Unilever, McDonald, KFC)

4.5) Sanctions and tariffs are only to punish countries for their inappropriate behaviour at international level.
(e.g. Sanction of Iran & North Korea for Nuclear Program)

5) Issues of neoliberal order are because of its Imperialist agenda. (Synthesis)

5.1) Because of flawed structural adjustment plans (SAPs) of international organisation, countries turn back to them.
(e.g. failed example of Pakistan)

5.2) Neoliberal, consumer driven market has caught LDCs in whirlpool of imports.
(e.g. Western countries like USA rely on exports)

5.3) Reliance of Aid, has left countries with issue of turning back to economic powers.

5.4) Despite the contribution of MNCs in economy, their exploitation stands out.

5.5) Sanctions based on political agendas make countries economically vulnerable.

6) Conclusion :-

Neo-liberal world order shows that white man's civilizing mission has not come to an end. The way super power like Britain ruled the world with ^{the} excuse of "civilization mission" during 18th century, neo-liberal world order is another form of Imperialism. Major powers like USA control the countries in 21st century through economic imperialism. Economic imperialism is a reality.

Neo-liberal order is considered as economic imperialism by some while others consider it the best model for world. Despite, it being the prevalent system, super powers tend to control the economic development of weaker states.

Powerful states hold major share in international monetary institutions. International organisations provide loans to weaker states on their own conditions. Weaker states rely on the imports heavily and aid programs. MNCs also exploit the labour and resources of weak economies. Apart from this sanctions by the hegemonic countries tend to destroy the economic development of countries. However, some also argue that International financial institutions help the countries to come out of economic stagnation.

Countries rely on imports because they lack production bases, MNCs provide employment opportunities to people, and aid programs contribute to the development of poor economies. Also, sanctions are only a move to stop countries from breaking international norms. But, the argument that economic imperialism is a fiction is a weak argument as the flawed policies of international financial institutions and exploitative tendencies of MNCs overpower their success ratio benefits.

Imperialism means to control some area with the physical presence of the controlling state in that area. In 18th century, Britishers controlled various African countries by Imperialism. Britishers had the full control over those states, but there was no viceroy or ruler of British empire. Instead local leader ruled their lands by remaining loyal to the empire. In the same manner economic Imperialism, is a new form of Imperialism where countries are controlled indirectly by super powers by controlling the economies of countries. Major powers like US, Britain, China etc hold major share in the international financial institutions and hence control the ~~economies~~ other weaker states economically.

IMF (International Monetary Fund) and World Bank etc. are the international institutions which were made with aim of providing financial assistance to the developing nations. These organisations instead control the economies of countries through structural adjustment and various other plans. For example, Pakistan has entered its 24th IMF plan in 2024. The plans the IMF suggest to the country are based on certain conditions and terms. These terms exacerbate the inflation, price hike issues in the country. Apart from this, IMF's plan focus on **short term goals**, which create the dependency of country on IMF. Therefore, it is evident that International organisations control the economies of LDCs.

The colonial powers, exploited. Also, most of the less developed countries depend heavily on the imports. The colonial powers ruled the nations by exploiting the resources. Even Subcontinent was considered as golden sparrow prior to the control of Britishers. But when Britishers controlled sub-continent they took the raw material the sub-continent to Britain from where manufactured products were then sent back to sub-continent. Even after independence Pakistan could not come out the damage created at the colonial time period. In the similar way, liberal market economy is based on demand and supply principle and is consumer driven. Countries like USA, extract raw material from the poor countries and assemble the goods in their land and then export those goods but on the other hands weak economies like Pakistan, caught in the clutches of liberal market economy have a trade deficit. According to Pakistan Bureau of Statistics, trade deficit of Pakistan is increasing has increased by 20% in 2024. Hence, economic imperialism is a reality as LDCs depend on imports heavily.

In addition to this, weaker economies are reliant on aid programs of powerful economies. In the Washington Consensus, major powers decided to uplift economic development of developing countries by providing them aid, Technology transfer, and loans etc. These aid programs and assistance was provided without considering the socio-economic fabric of the countries. For example, the technology. The programs improved the economic conditions only in number but made the countries dependent

on such programs. With the help of USAID program various new prog projects were installed in Pakistan but these programs did not help the country to develop its own economic base. Therefore, such aid programs only made the dependence of weaker economies on developed nations.

Multinational Cooperations are also a tool to exploit the resources of poor countries leaving them economically vulnerable. MNCs operate in less developed country only to get cheap raw material and labour. There are various sweatshops of brands like Zara and H&M in Sri Lanka, where the working conditions of people are poor and wages are low. These countries provide MNCs then they sell the manufactured products at high prices. The manufactured products become out of the range of ordinary people of LDCs. Therefore, MNCs create the economic dependency of poor countries and exploit those countries for their own economic benefits.

Furthermore, Sanctions are another way to control the economies of poor countries. Developed countries such as US impose sanctions on other countries for its own political benefits. North Korea and Iran are among those countries which do not come under the umbrella of USA's influence. These countries face severe economic sanctions which make them economically vulnerable. Because of the sanctions on Iran's oil, other countries also don't buy Iran's cheaper oil. Hence, sanctions and tariffs are a way to control the economy of country.

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However, proponents of liberal order don't see it as economic imperialism. They believe that this is the best suitable order for the world. The proponents believe that international monetary organisations provide assistance to the developing countries. The purpose of international organisations was not make the countries dependent on them instead to provide them with specific plans to come out of their poor conditions. South Korea is one such example. South Korea faced an economic shock during the financial crisis of 2008 and took the loan from IMF for the developmental purpose. That proved the only IMF plan which South Korea took and revived its economy. Now, South Korea one among the major powers of the world. Therefore, International organisations do not intend to weak the countries.

Moreover, less developed countries depend upon imports due to the absence of their own production bases. weaker economies lack the production capacity and hence import the goods to meet their needs. For example, country like Pakistan lacks the production capacity. It depends on imported oil even for the electricity generation. Apart from this, various other products like wheat are also imported. So, it is not because the international order is consumer driven which has left LDCs import oriented instead these countries themselves do not resolve their economic problems and rely on the manufactured goods. Hence, LDCs depend upon imports because of the absence of production bases.

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Also, aid programs help in the development of countries. The motive of Washington Consensus was not make countries dependent on aid. They were provided aid to bring them at par with developed nations. There exists an epic example in history which proves that aid does not make countries dependent. After World War-II, Europe was war-torn and America at that time announced Marshall Plan with the aid of 2 billion dollars for the reconstruction of Europe. European countries best utilized the Marshall Plan and their economic indicators show that they revived themselves with the best usage of economic aid. So, aid programs do help in the development of countries.

Furthermore, MNCs contribute to the economic growth of countries. MNCs open their branches in other countries and with this they create employment opportunities for those countries. MNCs like Unilever, McDonald, KFC etc do provide employment opportunities to the local people and contribute to the economic growth of the countries. Such organisations bring foreign investment to country which along with portraying the soft image of country also contribute to the GDP growth. Therefore, MNCs are a contributor to economic development.

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Sanctions and tariffs do not serve the purpose of making countries economically unstable. The sanctions are merely to punish the states which go against international norms to ensure the harmony of international politics. American sanctions on Iran and North Korea are merely to stop these countries from pursuing nuclear plans as it is the violation of Nuclear Non-proliferation Treaty. Apart from this, sanctions are imposed to stop the country to participate in war. Therefore, sanctions and tariffs are only for the punishment purpose when states deviate from international standards, not for making states economically vulnerable.